

PS BUSINESS PARKS, INC.

CORPORATE GOVERNANCE GUIDELINES

Selection and Composition of the Board

1. Board Membership Criteria

The Board of Directors (the "Board") of PS Business Parks, Inc. (the "Company") intends to maintain a majority of directors who meet the criteria for independence required by the New York Stock Exchange ("NYSE").

The Nominating/Corporate Governance Committee of the Board is responsible for reviewing with the Board, the skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment includes directors' qualifications as independent, as well as consideration of skills, knowledge, perspective, broad business judgment and leadership, relevant specific industry or regulatory affairs knowledge, business creativity and vision and experience, all in the context of an assessment of the perceived needs of the Board at that time.

2. Basic Director Responsibilities

The basic responsibilities of the directors are to exercise their business judgment to act in which they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors shall also be entitled to have the Company purchase directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Articles of Incorporation of the Company, the Bylaws of the Company and any indemnification agreements to which such director and the Company are parties, and to exculpation as provided by the laws of the State of California and the Articles of Incorporation of the Company.

3. Selection of New Directors

The Board has delegated to the Nominating/Corporate Governance Committee the power, authority, duties and responsibilities to recommend to the Board the director nominees for election at the next annual meeting or any special meeting of shareholders and any person to be considered to fill a Board vacancy or a newly created directorship resulting from any increase in the authorized number of directors. The Board itself, however, is ultimately responsible for selecting nominees to the Board and in recommending them for election by the shareholders.

The Company has an orientation program for new directors and directors have the opportunity to interact with senior management so that they can obtain/maintain familiarity with the Company's operations.

4. Voting for Directors and Director Resignation Policy

Except as required by the Bylaws or the Restated Articles of Incorporation or otherwise required by law, unless the Secretary of the Company determines that the number of nominees for election as director exceeds the number of directors to be elected, in any meeting for the election of directors at which a quorum is present each director shall be elected by the vote of a majority of the votes cast with respect to the director. For purposes of this Guideline, in the context of the election of directors, a majority of the votes cast means that the number of shares voted "for" a director must exceed 50% of the votes cast with respect to the director.

Any nominee for director who fails to receive the vote required for his or her election, shall promptly tender his or her resignation to the Board for consideration. The Nominating/Corporate Governance Committee will make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other action is recommended.

The Board will act on the tendered resignation within 90 days following certification of the shareholder vote and will promptly disclose its decision and rationale as to whether to accept the resignation (or the reason(s) for rejecting the resignation, if applicable) in a Form 8-K. It is expected that a director who tenders his or her resignation pursuant to this Guideline shall not participate in the Nominating/Corporate Governance Committee recommendation or Board action with respect to his or her resignation.

If each member of the Nominating/Corporate Governance Committee fails to receive the required vote for his or her election in the same election, then those independent directors who did receive the required vote shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them. However, if the only directors who receive the required vote in the same election constitute three or fewer directors, all directors may participate in the action regarding whether to accept the resignation offers. If a director's resignation is accepted by the Board pursuant to this Guideline, the Board may fill the resulting vacancy or decrease the size of the Board pursuant to the Company's Bylaws.

Board Leadership

5. Selection of Chairman and Chief Executive Officer

The Chairman of the Board shall be chosen annually by the Board from among its members. The Bylaws provide that the Chief Executive Officer shall be such officer of the Company as the Board shall determine. The Board has no requirement that the offices of Chairman and Chief Executive Officer be separate.

6. Executive Sessions of Independent Directors

At least annually, the independent directors will meet in executive session without management or non-independent directors present in accordance with NYSE listing standards.

Board Composition and Performance

7. Size of Board

The number of directors of the Company may range between 7 and 13, with the exact number of directors to be fixed by the Board. This range may only be changed by shareholders representing a majority of the voting power of the Company.

8. Term Limits

The Board does not have term limits.

9. Retirement Age

The Board believes that a mandatory retirement age for members of the Board is appropriate. Accordingly, no person will be nominated by the Board for election as a director unless he or she is 73 years of age or younger on the first day of his or her Board term. Any director who is not re-nominated for election to the Board on this basis shall retire from the Board effective as of the date of the next Annual Meeting. In addition, the Board shall not fill a vacancy on the Board with a person who, if appointed, will not be 73 years of age or younger on the first day of his or her term.

10. Board Compensation

The compensation of non-management directors consists of both a cash and a securities component. The Board believes that a meaningful portion of director compensation should be in securities of the Company.

From time to time the compensation of directors may be changed by action of the Board.

No Audit Committee member can accept any consulting, advisory, or other compensatory fee from the Company. Director's compensation is the only compensation an Audit Committee member may receive from the Company.

11. Director Continuing Education

The Company encourages directors to engage in continuing education.

Stock Ownership and Board Relationship to Senior Management

12. Stock Ownership

Each non-management director is encouraged to have a significant stock ownership in the Company. All directors are expected, within three years of initial election to the Board, to own common stock of the Company valued at a minimum of \$100,000, with such shares valued at the date of acquisition.

13. Regular Attendance of Senior Management at Board Meetings

The Board welcomes regular attendance at each Board meeting those members of senior management of the Company who are in a position to contribute to the meeting.

14. Board Access to Senior Management

Board members shall have complete access to the Company's management.

Attendance at Meetings and Meeting Procedures

15. Attendance at Meetings

Directors are expected to prepare for and attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

16. Selection of Agenda Items for Board Meetings

Each Board member is encouraged to suggest the inclusion of items on the agenda for meetings of the Board. The Chairman of the Board has the principal responsibility for the agenda.

17. Board Materials Distributed in Advance

Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting will generally be distributed in writing to the directors before the meeting. Directors may request supplemental information from management. All such information is to be maintained in conformity with the Company's policies on confidentiality.

Board Committee Matters

18. Board Committees

The Board has an Audit Committee, a Capital Committee, a Compensation Committee and a Nominating/Corporate Governance Committee. All members of these committees will meet the criteria for independence required by the NYSE.

19. Committee Charters

Each of the Audit Committee, Capital Committee, Compensation Committee and Nominating/Corporate Governance Committee will have its own charter that is intended to meet the NYSE listing standards. The charters will set forth the purposes, membership, powers, authority, duties and responsibilities of the committees, as well as certain qualifications for committee membership. The charters will also provide that each committee will annually evaluate its performance and include such other provisions as may be required by the NYSE.

20. Frequency and Length of Committee Meetings

The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter and as circumstances may require.

21. Committee Agenda

The Chairman of each committee, in consultation with the other members of the committee, will develop the committee's agenda.

22. Additional Committees

The Board may, from time to time, designate additional committees as deemed necessary or advisable in accordance with California law and the Company's Bylaws.

Leadership Development

23. Succession Planning

When necessary, the Board will work with the Nominating/Corporate Governance Committee to identify, nominate and evaluate potential successors to the Chief Executive Officer.

24. Assessing the Board's Performance

The Board will annually review its own performance to determine whether it and its committees are functioning effectively.

25. Directors' Code of Ethics.

All members of the Board of Directors shall be subject to the Directors' Code of Ethics approved by the Board.

Adopted by the Board of Directors on February 23, 2007, as amended October 30, 2008, November 1, 2010, May 7, 2012, October 28, 2013, April 25, 2017 and February 19, 2018.